

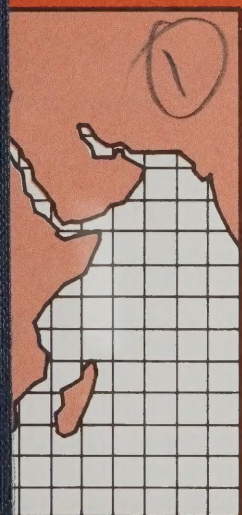
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# Country Profile

# **Zambia**

Canada







Canadian International  
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# Country Profile

# **Zambia**

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# COUNTRY PROFILE

. Official name	Republic of Zambia
. Capital	Lusaka
. Topography	Landlocked; high plateau, major watershed in north
. Climate	Subtropical
. Principal crops	Maize, rice, cotton, wheat, tobacco, beef, groundnuts
. Resources	Copper, cobalt, fisheries
. Official language	English
. Other languages spoken	Nyanja, Bemba, Tonga, Lozi, Lunda, Luvale
. Ethnic groups	More than 70 tribes, Asians
. Religions	Christians (80%), Animists, some Moslems and Hundus
. Date of independence	October 24, 1964

## Comparative data

	<u>Zambia</u>	<u>Canada</u>
. Area	752,618 km <sup>2</sup>	9,976,000 km <sup>2</sup>
. Population (1983)	6.3 million	24.9 million
. Population density	8.4 persons/km <sup>2</sup>	2.4 persons/km <sup>2</sup>
. Urbanization	47%	75%
. Population growth rate (1970-1982)	3.2%	1.2%
. Life expectancy at birth (1983)	51 years	76 years
. Infant mortality rate	100/1,000 live births	9/1,000 live births
. Daily per capita calorie supply as % of requirement (1983)	89%	129%
. Adult literacy rate	54%	99%

	<u>Zambia</u>	<u>Canada</u>
. Primary school enrolment		
Total	96%	104%
boys	102%	105%
girls	90%	103%
. Percentage of labor force in (1981)		
agriculture	67%	5%
industry	11%	29%
services	22%	66%
. % of population of under 15 (1983)	47.1%	23.2%
. Gross national product per capita (1983)	US \$580	US \$12,310
. GNP average annual growth rate (1965-1983)	-1.3%	2.5%
. Inflation rate (1973-1983)	10.3%	9.4%
. External public debt as % of GNP	83.9%	1.35%
. Debt service as % of GNP	4.0%	4.96%
. Current account balance	US \$-252 million	US \$1,380 million
. Principal exports	Copper, zinc, cobalt, lead and tobacco	
. Principal imports	Raw materials, energy products, oils and fats, chemicals, machinery and transport equipment	
. Principal trading partners	Japan, West Germany, U.K., China, U.S., South Africa	
. Exports to Canada (1984)	Crude animal products, natural abrasives, drilling machinery, household goods	
. Imports from Canada	Fish, wheat, paper, engines, tractors, motor vehicle engines, footwear, electric lighting equipment	



## COUNTRY PROGRAMS

Canada's development assistance to Zambia began shortly after its independence. In the early years, the program was relatively small, averaging approximately \$0.5 million per year for the six-year period ending in 1971. The program gathered momentum in 1971 with the opening of the Canadian High Commission in Lusaka. During the following five-year period, average annual disbursements increased to \$3.5 million. The program was stepped up again in 1976 when Zambia entered a sharp economic downturn, and from 1976 to the end of 1982 average annual disbursements grew substantially to \$12.7 million. In the past two years disbursements have increased again, reaching \$22.2 million in 1984-85, bringing the total since 1971 to \$144.8 million.

Most assistance is provided bilaterally (under government-to-government agreements), but Canadian aid also reaches Zambia through multilateral organizations and through various non-government channels. Details of these other forms of assistance are provided under the headings of Special Programs, Industrial Cooperation, and Multilateral Assistance.

### BILATERAL PROGRAM

Initially, bilateral assistance was directed primarily toward Zambia's transportation needs as a landlocked country, and its acute shortage of trained manpower. The program was heavily oriented toward technical assistance. As the economic crisis worsened in the mid to late 1970s, the thrust of Canada's assistance program changed. A number of major capital projects were initiated and lines of credit were established to ease Zambia's increasingly difficult balance-of-payments situation.

Through a \$26.5 million line of credit lasting from 1975 to 1985, Zambia received balance-of-payments support in the form of capital and intermediate goods and related services, and was provided with a facility for maintaining its essential import program. This also gave Zambia the opportunity to build up its commercial activity and commercial contacts with Canada and helped to decrease limitations on its capacity to move goods.

In another project dating back to 1969, Canada helped the Zambia Institute of Technology to increase the pool of technically competent workers in Zambia. With the aid of \$10.9 million, the country's technical education system was expanded and modernized through the provision of teaching and advisory personnel, architectural services, equipment and training.

In the transportation sector, Zambia Railways was able to increase its management and operational efficiency with the help of \$6.8 million from CIDA over six years from 1976 to 1982 for personnel support, training of Zambian counterparts, and provision of training aids and equipment.

Following a major reassessment of Canada's development assistance program in Zambia in 1982-83, sectoral priorities for the 1983-84 to 1988-89 period were determined. In order to assist the government's diversification of the economy away from its dependence on copper, Canada is supporting Zambia's effort to increase agricultural production, and provide infrastructure and



increased services to rural areas. In fact, agriculture and rural development account for 75 per cent of CIDA's bilateral expenditures on current and planned projects. A description of the sector and current projects follows.

#### Agriculture and Rural Development

Despite abundant land and water resources, Zambia has not been self-sufficient in food production in recent years and has had to expend dwindling foreign exchange on food imports. Problems with price structures that discouraged the rural sector and caused migration to the towns, with weather, storage, internal distribution and milling capacity resulted in chronic shortages in past years.

In May 1980, however, the government launched a massive investment program called "Operation Food Production" aimed at making the country self-sufficient in food by 1990. Droughts adversely affected harvests in five of the last six years and food aid was received from Western donor countries, including Canada. Major improvements in agricultural production are beginning to be registered now, however, with good rains bringing record harvests in maize, rice, cotton and wheat in 1985.

Agriculture forms the pivot of government plans to diversify the economy away from the declining copper industry, and in the 1985 budget, 22 per cent of capital expenditure was earmarked for rural development. Among recently introduced economic policies are lower food subsidies, increased crop prices for farmers, improved access to credit and inputs, more efficient marketing, the encouragement of exports and a re-emphasis on food self-sufficiency.

The agricultural sector is made up of approximately 200 large commercial farms, often owned by non-Zambians, a much larger number of small peasant holdings, and an emergent group of medium-sized African farms producing wholly or partly for the market. The broad pattern of development since 1964 has been of a decline in European commercial agricultural production, offset by an increase in African output, and an increase in output from production schemes undertaken by the state, or large private corporations. The chief cash crop is maize, followed by tobacco, beef and groundnuts. The most important new products to have been promoted in recent years have been cotton, rice, poultry, wheat, sugar and oilseeds, such as sunflower and soya bean.

As noted earlier, one of the critical problems in the sector is the lack of storage capacity and the inefficient distribution within the country of agricultural produce. Under a \$32.8 million loan and a \$5 million grant, Canada is currently assisting Zambia with the construction of 55 maize sheds (with a capacity of 190,000 short tons of maize), 29 fertilizer sheds (with a capacity of 91,000 metric tons of fertilizer) and road and rail access at certain sites. The aim is to reduce losses that occur due to spoilage, to prevent deterioration of maize, and to increase the effectiveness of transportation, labor and management in the sector.



With its large inland lakes, Zambia has considerable potential as a fish producer. In Northern and Luapula provinces, fish production is substantial, particularly from Lakes Bangwelu, Tanganyika, Mweru-Wa-Ntipa, Mweru and the Luapula River. The total catch in 1983 was estimated at 71,100 tons, up from 55,800 tons in 1982 and 36,100 tons in 1981. Canada is helping Zambians to exploit this valuable food resource by improving the feeder road network and providing access to markets for small-scale fishermen at Lakes Mweru, Tanganyika and Mweru-Wa-Ntipa. This \$30.6 million CIDA project consists of the construction of 520 kilometres of all-season gravel feeder roads, the establishment of a road maintenance capacity at the Department of Roads, assistance with the construction of a bridge, and the training of Zambian construction and engineering crews. The roads will also help to open up remote northern areas to further agricultural development.

Still under the heading of agricultural production, CIDA has entered phase three of a wheat research and development project. The objective of this five-year \$9.97 million project is to determine if rain-fed wheat can be grown economically, and through the training of agricultural research staff, to strengthen the Zambian government's agricultural research capability.

Institutional capacity in the agriculture sector is being strengthened through \$8.4 million in CIDA support for the Ministry of Agriculture and Water Development (MAWD). Technical assistance is being provided and Zambians are being trained in order to bolster the policy analysis and planning capacity of the MAWD's Planning Division. Through better management of the sector, rural incomes and employment opportunities will be expanded in the long term.

Another contribution to Zambia's development of human resources in the agriculture sector is the provision of Canadian university teachers for the training of agricultural scientists at the University of Zambia's School of Agriculture (UNZA). Under a policy of Zambianization, staff positions that are currently filled by Canadian advisors at the university will be filled by Zambian post-graduates being trained for teaching at UNZA. CIDA's budget for this project is \$4.9 million over the five-year period from 1984-1989.

#### Mission-administered Funds

Canadian embassies and High Commissions in developing countries respond to requests from local community groups in need of funds for small projects. In the case of Zambia, the maximum annual allowance for 1984-85 was \$250,000, and 29 projects were funded, 16 of which were for education and training. Several communities received assistance for the purchase of building materials and equipment for construction or renovation of schools or training centres. Other funding was for farming and water supply projects, a centre for mentally handicapped children, and building materials for a rural health centre.



## SPECIAL PROGRAMS

CIDA's collaboration with non-governmental organizations (NGOs) began in 1968, and has since expanded to include the diverse activities sponsored by many different types of groups. Special Programs Branch contributes to development cooperation projects initiated by voluntary organizations and non-profit institutions which cooperate with counterparts in developing countries. Most programs in the Branch provide funds which "match" or enhance contributions in cash or in services by the participants in Canada and the developing country, so that the value of a project is often much greater than the CIDA funding amount suggests.

Special Programs Branch contributions to non-governmental activities in Zambia were almost \$480,000 in 1984-85\*. CIDA is currently contributing to some 20 organizations with development projects in Zambia. The following are examples of the types of projects receiving funding from the Special Programs Branch.

### Non-Governmental Organizations

For the Canadian NGOs with projects in Zambia, to which CIDA contributes, the emphasis is on rural development and agriculture (especially training), and basic health.

The Adventist Development and Relief Agency is expanding preventive health care facilities, and has introduced rice-growing through the use of irrigation.

The Canadian Catholic Organization for Development and Peace (CCODP), Oxfam, and Canadian Lutheran World Relief are providing services such as health and vocational training for refugees. CCODP and World Vision of Canada each contribute to a variety of small rural development projects. The United Church of Canada has supported the Family Farms organization in creating new farms out of previously unused land. The Cardinal Léger Foundation, Club 2/3, Mennonite Central Committee, Canadian Lutheran World Relief, and Canadian Hunger Foundation are all involved in aspects of agricultural development, such as training in new methods, organizing cooperatives, and providing new farm tools. The InterChurch Fund for International Development, YWCA and YMCA have undertaken leadership training. Development activities specifically for women are also taking place. For example, the YWCA is sponsoring the development of small enterprises (bakery, leather work) while the Christian Council of Zambia

\* This figure does not include the Zambia component of funding provided for regional programs (e.g. the Pan American Institute for Development, IPPF), or volunteer-sending agencies (e.g. CUSO). Neither does it include projects implemented by NGOs but financed by Bilateral or Multilateral Branches (e.g. "country focus" projects or sending of food aid).



runs a women's program supported by the United Church. Planned Parenthood Federation of Canada has supported medical training, while Match has contributed to daycare. In addition, some NGOs have provided shipments of foodstuffs to meet emergency needs in Zambia.

#### Institutional Cooperation and Development Services (ICDS) Program

This program enables CIDA to support joint ventures by Canadian and Zambian institutions like universities, colleges, unions, cooperatives, and professional associations. In addition, it provides funds for co-operant-sending agencies.

CUSO's volunteers in Zambia are participating in training for productive employment, together with community organization. One initiative has developed into a country focus project. It involves supporting and strengthening fishing communities in the central Kafue flats area by establishing regular river transport and a retail distribution service (a floating shop) to supply isolated villages which lack access to roads; enhancement of fisheries is also included. Other organizations providing Canadians for assignments in Zambia are Canadian Crossroads International, World University Service of Canada, Centre canadien d'études et de coopération internationale, and Canadian Executive Service Overseas.

The Cooperative Development Foundation is supporting the establishment of cooperatives in Zambia, including a small-scale furniture factory and a fishing cooperative (in collaboration with CUSO), as well as rural credit unions.

The Canadian Mental Health Association is assisting with the establishment of mental health resource centres in Zambia.

#### International Non-Governmental Organizations (INGO)

Through INGO, CIDA offers support to internationally-based organizations whose programs often span many countries. Some of these provide funds to member organizations for their national activities; an example is the International Planned Parenthood Federation. The Pan African Institute for Development has received funds for training programs taught at its campus in Zambia. INGO's contribution to the World Conference Boys Brigade is enabling the Brigade in Zambia to provide technical and agricultural training to 40 youths a year at a farm near Ndola.

#### MULTILATERAL ASSISTANCE

Multilateral assistance involves the pooling of resources by donor countries which are members of international organizations like the World Bank, the regional development banks, the various agencies of the United Nations and so on. These organizations then use these resources in support of development projects in Third World countries. Multilateral assistance from all sources comprises about 15 per cent of total net official development assistance to Zambia. (Bilateral or government-to-government assistance accounts for the remainder).



Canadian multilateral assistance is mainly channeled to Zambia through the African Development Bank (AfDB) and its special loan fund, the African Development Fund (AfDF), through the World Bank institutions known as the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA), through UN agencies, the Commonwealth, and through the International Fund for Agricultural Development (IFAD).

For the five-year period from 1980 to 1984 inclusive, the AfDB approved loans to Zambia totalling U.S. \$92.5 million. The AfDF approved loans totalling U.S. \$38.69 million. The largest proportion of the financing was for the mining sector: rehabilitation of the copper mining industry and of Maamba Collieries. Agricultural development and rural infrastructure projects in Western Province received support, and funding was also provided to help increase oilseeds production and to support smallholders on the Nakambala sugar-producing farms. Lines of credit were provided to the Development Bank of Zambia (DBZ) to help meet the foreign exchange requirements of small-and medium sized industrial, agricultural and transportation projects. Assistance was also provided to increase water supply and install sewerage facilities at Ndola.

Canadian capital subscriptions to the AfDB were \$11.71 million each for 1982-83, 1983-84 and 1984-85. (There were no investments in 1980-81 or 1981-82). Canadian advances to the AfDF have averaged \$32.2 million a year from 1980-81 to 1984-85.

From 1980 to 1984 inclusive, the IBRD approved loans to Zambia totalling U.S. \$137.7 million, while IDA loan approvals to Zambia totalled U.S. \$108.2 million. The largest share of financing was for the mining industry: in 1984, the IBRD provided Zambia with a \$75 million loan for rehabilitation and modernization of Zambia's Consolidated Copper Mines, co-financed with the AfDB; IDA also undertook feasibility studies for rehabilitation of the Maamba coal-mining operation. The agriculture sector, including forestry, received the next largest share of World Bank financing, with assistance being provided for agricultural research and extension services, marketing facilities, veterinary services, and construction of crop storage and processing facilities to benefit smallholders; facilities for the handling and processing of forestry products are also being constructed. The IBRD and IDA have also assisted Zambia with the renovation of its railway system, construction and equipment of schools in rural areas, provision of development financing to the DBZ, water supply projects and geographical surveys.

Canadian advances to IDA have averaged \$160.48 million a year over the five years from 1980-81 to 1984-85; capital subscriptions to the IBRD have averaged \$39.75 million a year for the three years from 1982-83 to 1984-85.

The largest organization in the UN development system is the United Nations Development Programme (UNDP). During the 1982-86 UNDP planning cycle, UNDP spending in Zambia is expected to reach U.S. \$11.7 million with the main allocations being in agriculture, industry, and general development issues. Among some of the UNDP's larger projects in the country are oilseeds



production, the development of coffee plantations, support and training in veterinary services, and development of aquaculture (all executed by the UN Food and Agriculture Organization); in the industrial sector the UNDP is providing institutional support to the DBZ and increasing the efficiency of industrial planning through the United Nations Industrial Development Organization.

Canada's contributions to the UNDP's regular worldwide programs have averaged \$52.4 million a year for the five years from 1980-81 to 1984-85.

Other UN agencies for which Canada provides regular program funding and which are active in Zambia are the UN Children's Fund (UNICEF) and the UN Fund for Population Activities (UNFPA). UNICEF allocated U.S. \$385,000 for Zambia in 1983, mostly for child survival activities (construction of rural health centres and expansion of the primary health care system); and for non-formal education (promotion of functional literacy, especially among girls and women, at community-based training centres). Canada's contribution to UNICEF's worldwide programs has averaged \$11.99 million a year from 1980-81 to 1984-85.

Canada's contribution to the UNFPA has averaged \$9.13 million a year from 1980-81 to 1984-85. UNFPA's allocation for Zambia in 1984 was U.S. \$713,265. Activities include training of nurses under a family health program, lectures and seminars on family life education among trade unions, census data processing and analysis, and workshops on demography for statisticians.

As with other multilateral institutions, Canada makes regular contributions to help meet the operating costs of various agencies involved in humanitarian assistance (e.g. \$5.5 million to the UN High Commissioner for Refugees; \$6.5 million to the UN Relief and Works Agency; and \$750,000 to the International Committee of the Red Cross in 1984-85). Additional funds are granted in direct response to emergency situations caused by natural and man-made disasters, civil strife, and to alleviate the hardship of refugees.

Canadian contributions for humanitarian assistance in Zambia in recent years have been for the relief of drought victims: \$35,000 provided through the Canadian Catholic Organization for Development and Peace/Caritas and the Canadian Council of Churches in 1982-83, and another \$80,000 through Canadian Lutheran World Relief in 1984-85.

Canada is the largest contributor (\$14.6 million in 1984-85) to the Commonwealth Fund for Technical Cooperation (CFTC), which is the principal mechanism for technical assistance within the Commonwealth. It draws the majority of its experts from developing countries, and nearly all training is carried out in the Third World. In 1983-84, Zambia received a total of £236,600 (U.S. \$338,300) in general technical assistance, fellowships and training (primarily in public administration and financial management), and also for industrial and export market development.

The International Fund for Agricultural Development (IFAD) is another multilateral organization that is involved in Zambia. It mobilizes additional resources on concessional terms for the expansion and improvement of food production systems, with special emphasis on small farmers and landless



laborers in developing countries. Canada has issued notes totalling \$42 million to IFAD over the 1980-81 to 1984-85 period. Since it began lending in 1978, IFAD has approved two loans for Zambia: U.S. \$9.5 million in 1981 for agricultural development in Eastern Province, (co-financed with IBRD) and U.S. \$12.5 million in 1982 for area development in the North Western Province.

#### Food Aid

Longer-term efforts to help Zambia achieve food self-sufficiency are complemented by more immediate measures to combat food shortages. Canadian food aid in the form of wheat and skim milk powder was provided through the bilateral channel in 1984-85 (\$8 million) and previously in 1979-80 (\$3.5 million). In 1985-86, \$4.0 million in wheat will be sent to Zambia. Canadian food aid also reaches Zambia through Special Programs and Multilateral channels.

Food aid, in addition to being provided under bilateral agreements, is also channeled to developing countries through the World Food Programme (WFP), a UN institution associated with the Food and Agriculture Organization. The WFP supports feeding programs for nutritionally vulnerable groups, and uses food aid in food-for-work projects to provide work and income for the unemployed. Canadian food aid in the form of pulses valued at \$514,313 was supplied to Zambia in 1984-85, through the WFP's International Emergency Food Reserve.

Finally, through a joint program with 14 Canadian NGOs (including Food for the Hungry, Canadian Lutheran World Relief, World Vision and the Salvation Army) CIDA provides funds for shipments of skim milk powder to developing countries. Through this program, Zambia received 57 metric tons of milk powder valued at \$66,600 over the 1980-85 period.

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